

REMARKS

In the outstanding Office Action mailed September 29, Claims 1-25 are pending. Claims 1-18 and 23 stand rejected under 35 U.S.C. §101. Claims 1-23 further stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kam et al. U.S. Publication No. 2001/0042037A1 ("Kam") in view of Hillel U.S. Publication No. 2003/0028459A1 ("Hillel").

Claims 24 and 25 were not acknowledged in the Office Action Summary, nor were these claims addressed by the Examiner's remarks. Applicants remind the Examiner that MPEP §707.07(i) requires that each pending claim should be mentioned by number and its treatment or status given.

Claims 1, 18 and 20 have been amended and claims 26-29 have been added. Claim 25 has been amended to correct a typographical error. The claim amendments and new claims are fully supported by the application as originally filed and do not add new matter (see, for example, Figure 1 and paragraphs 13-15 of Applicants' specification).

Claim Rejections – 35 U.S.C. §101

Claims 1-18 and 23 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. In particular, the Office states that "a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing" (Office Action, page 2). Applicants note that the recent C.A.F.C. decision *In re Bilski*, -- F.3d --, 88 U.S.P.Q. 2d 1385 (Fed. Cir. 2008) confirmed that "A claimed process is surely patent-eligible under §101 if ... it is tied to a particular machine or apparatus." Applicants submit that amended claim 1 explicitly recites, for example, an "electronic interface," an "electronic fund performance database" and "an electronic communications network," which Applicants submit amply satisfies the Bilski requirement. Claim 18 is a computer program product which recites, among other things, a "computer readable medium having stored thereon computer executable code." Applicants submit that claim 18 recites ample structural subject matter tying the claim to a particular apparatus and

thus satisfies the Bilski requirement. Claim 23 has been canceled. Applicants accordingly request that the claim rejections under 35 U.S.C. §101 be removed.

Claim Rejections – 35 U.S.C. §103(a)

Claims 1-23 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kam et al., U.S. Publication No. 2001/0042037A1 (“Kam”), in view of Hillel, U.S. Publication No. 2003/0028459A1 (“Hillel”).

Claim 1 recites a computer-implemented method for verifying a fund's-net asset value. The method includes receiving from a data provider, through an electronic interface, a first net asset value for a fund and retrieving, over an electronic communications network, one or more historical net asset values for the fund from an electronic fund performance database. The first net asset value is compared to one or more historical net asset values for the fund to obtain a variance that characterizes a difference between the first net asset value and the one or more historical net asset values. When the variance is within a tolerance for the first net asset value, the first net asset value is stored in the electronic fund performance database. When the variance is not within the tolerance for the first net asset value, a plurality of preset explanations for the variance is presented to the data provider; the data provider is required to select one of the plurality of preset explanations for the variance; and the first net asset value and the selected one of the plurality of preset explanations for the variance are stored in the electronic fund performance database.

On page 2 of the Office Action, the Office asserts that Kam teaches every element of claim 1 with the exception of the inclusion of a data provider. Applicants respectfully submit that Kam also fails to teach or suggest other elements of claim 1. For example, Kam does not teach or suggest determining when a variance for a first net asset value is or is not within a tolerance. Kam also does not teach or suggest requiring a data provider to select one of a plurality of preset explanations for the variance, nor does Kam teach or suggest storing a first net asset value and a selected one of a plurality of preset explanations for the variance in an electronic fund performance database.

Instead, Kam describes an internet-based system for "managing performance-based investment competitions" which includes "facilitation of daily feedback of one or more significant and appropriate financial performance metric(s), preferably the NAV ... of identified stocks and funds" (see Abstract). As described by Kam, NAV values are calculated and reported to the competitors: "competitors' funds performances are tracked daily by calculating the respective Net Asset Values (NAV or iTAV) ... which is then reported to them" (see para 0055). Kam also describes a "private portfolio tracking" system which may include "an automatic checking feature [that] can flag, e.g., by redlining or highlighting, an erroneous entry" (see para 0140). Nowhere does Kam teach or suggest selecting one of a plurality of preset explanations when a variance for a first net asset value is not within a tolerance and storing the first net asset value and the selected one of the plurality of preset explanations for the variance in an electronic fund performance database. Indeed, there is no suggestion in Kam to explain why an entered net asset value would be stored in an electronic fund performance database despite its having a variance from a historical value that exceeds a threshold.

Kam makes reference to a "private portfolio tracking" system, but the only time that system suggests to query a member is when "an automatic checking feature can flag...an erroneous entry...for example, if CocaCola stock purchase is entered erroneously as '\$1.05,' instead of '\$105,' the program of the site...can flag the entry in red or query the member, 'Did you buy the stock in 1921' and the like" (see para 0140). Nowhere does Kam teach or suggest, for example, providing a plurality of preset explanations for a variance of a net asset value, selecting one of the plurality of preset explanations, or storing a selected explanation in an electronic fund performance database along with a net asset value entry.

The Examiner points to Kam's teaching that "the NAVs can be plotted as points" and "as the funds rise, and pass a preselected horizontal line... e.g., a line representing the performance level of the top 10% [Best Investors] or the S&P 500...the respective fund managers are selected as [Best Investors] and get their own fund. Where funds drift right, and perhaps drop to negative territory...these are under-performers. If they were real fund managers, they are replaced" (see Office Action, page 3 and Kam, para 0116). But this does not teach or suggest that net asset values

be entered in a database along with an explanation of why the net asset value varies from a historical net asset value if the variance exceeds a threshold. In the Kam system, top performing NAVs are rewarded while those that underperform are not, but Kam does not make any mention of whether the under- or over-performing values vary from a historical value within a tolerance, nor require any corresponding explanation for why.

With regard to claim 14, the Examiner asserts that Kam teaches that the plurality of preset explanations for the variance includes at least one of asset transfers, benefit payments, incorrect prior month values, cash influxes, cash withdrawals, collateral NAV changes, contributions, conversions, closing of funds, merger of funds, supplied and client verified NAVs, derivative fluctuations, changes in security market value, expenses, fund mergers, holding accounts, liquidation of partial assets, new money from shareholders, creation of a new fund, shareholder distributions, shareholder redemptions, shareholder subscriptions, trading activities, favorable or unfavorable exchange rates, or valid zero asset balances. Applicants' respectfully traverse this rejection. Kam does not disclose that any preset explanations be provided for a variance. Even with its "automatic checking feature," Kam is alerting a user to the possibility that a *new entry* was entered erroneously (see para 0140). In this case, the erroneous data would presumably be changed to reflect the correct data; there is no teaching that erroneous data be entered along with an explanation of why it differs from a historical value.

With regard to Hillel, the system described by Hillel does not, among other things, perform any validation of data provided by any type of data provider.

Both Kam and Hillel fail to teach or suggest, *inter alia*, when a variance for a first net asset value is not within a tolerance, requiring a data provider to select one of a plurality of preset explanations for the variance and storing the first net asset value and the selected one of the plurality of preset explanations in an electronic fund performance database.

Claims 18, 19 and 20 are directed to a computer program product and systems for verifying a fund's net asset value. Kam and Hillel, taken alone or in combination, do not provide any

computer program products or systems configured to, when a variance for a first net asset value is not within a tolerance, allow a data provider to select one of a plurality of preset explanations for the variance and store the first net asset value and the selected one of the plurality of preset explanations. The rejection by the Office of claims 18, 19 and 20 are thus not appropriate for reasons discussed above.

Claims 2-17 and 24-25 depend on claim 1, and claims 21-22 depend on claim 20. Accordingly, Applicants assert that claims 2-17, 21-22 and 24-25 are also patentable over the cited references..

Moreover, Applicants respectfully disagree with the Examiner's rejections of dependent claims 2-17. The Examiner has cited numerous full paragraphs in Kam and asserted that these paragraphs teach the elements of dependent claims 2-17. However, none of these paragraphs teaches or suggests the elements referenced in the respective dependent claims to which the reference has been applied. For example, paragraph 0005 is cited with respect to claim 14, but paragraph 0005 teaches only that NAV methodology "is widely regarded as the most accurate way to measure investment performance" and has nothing to do with claim 14's teaching of preset explanations for the variance of a current NAV value from past historical values. As an additional example, the Examiner rejects each of claims 3 and 5-17 by referring to the same five paragraphs of Kam (para 0029, 0035, 0005, 0089 and 0119), and rejects claims 2 and 4 by referring to the same 41 paragraphs (para 0012-0014 and para 0015-0052). Applicants respectfully request that the Examiner point to specific language in Kam that teaches these claim elements or withdraw the rejections.

Accordingly, Applicants respectfully assert that, at least for the above reasons, the cited references do not anticipate or render obvious Applicants' claims and respectfully asks the Examiner to withdraw the rejections.

CONCLUSION

Applicants respectfully submit that this application is in condition for allowance. Accordingly, prompt reconsideration and allowance of this application are respectfully requested.

Applicants believe no fee is due with this response other than as reflected on the enclosed Amendment Transmittal. However, if for any reason a fee is due, please charge our Deposit Account No. 18-1945, under Order No. SSBI-P01-003 from which the undersigned is authorized to draw.

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Respectfully submitted,

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